

**UNITED STATES DISTRICT COURT**  
**DISTRICT OF MAINE**

<b>BAYCHAR, INC., ET AL.,</b>	)	
	)	
<b>PLAINTIFFS</b>	)	
	)	
<b>v.</b>	)	<b>CIVIL No. 04-144-B-H</b>
	)	
<b>THE BURTON CORPORATION,</b>	)	
<b>ET AL.,</b>	)	
	)	
<b>DEFENDANTS</b>	)	

**ORDER TO SHOW CAUSE**

The Magistrate Judge and the District Judge who were previously assigned to this case granted the defendant Nordica USA Corp.’s (“Nordica”) motions for summary judgment.<sup>1</sup> Nordica’s motions for summary judgment, however, did not address counterclaims that it had filed against the plaintiffs Baychar, Inc. and Baychar Holdings, LLC (“Baychar”). As a result, the summary judgment rulings did not dispose of Nordica’s counterclaims. Now, after an unusual procedural course,<sup>2</sup> the case comes before me. Nordica has moved for Judgment on the Pleadings or, Alternatively, for Summary Judgment on Counterclaims (“Mot.”)

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<sup>1</sup> The Defendants’ Motion for Summary Judgment on Obviousness (Docket Item 85) was dismissed as moot. That ruling is not relevant to this opinion. The Court also ruled in favor of Nordica’s co-defendants’, The Burton Corp. and Deckers Outdoor Corp., motions for summary judgment. Those defendants, however, did not file counterclaims, the subject of this order to show cause.

<sup>2</sup> For a brief description of the procedural posture of this case, see Order on Plaintiffs’ Motion for Relief from Judgment (Docket Item 185).

(Docket Item 183).<sup>3</sup> This Order to Show Cause requests further clarification from Nordica.

### **ANALYSIS**

On November 6, 2006, District Judge Carter granted summary judgment in Nordica's favor on Baychar's claim of patent infringement. He approved the Magistrate Judge's conclusion that the record did not generate a trialworthy issue of infringement. Order Affirming the Recommended Dec. of the Magistrate Judge ("Carter Order") (Docket Item 149); Recommended Dec. on Defs.' Mot. for Summ. J. Asserting Patent Invalidity and Non-Infringement ("Recommended Dec.") at 26 (Docket Item 138). Alternatively he granted summary judgment on the basis that claim 8 of United States Patent No. 6,048,810 (the "'810 patent") was invalid due to anticipation. Carter Order; Recommended Dec. at 16 ("the defendants are entitled to summary judgment as a matter of law that claim 8 of the '810 patent is invalid by dint of anticipation.").

Judge Carter's Order thereby disposed of Baychar's claims. It did not address Nordica's counterclaims. The counterclaims seek a declaration that the '810 patent is invalid, unenforceable, and that Nordica has "never directly infringed (and is not directly infringing) the '810 patent." Answer, Additional Defenses and Counterclaims of Def. Nordica ("Counterclaims") at 8-9 (Docket Item 26).

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<sup>3</sup> Because Nordica has incorporated by reference the summary judgment pleadings previously filed, I will treat this as a Rule 56 motion for summary judgment.

Nordica argues that because Judge Carter ruled in favor of its affirmative defenses of non-infringement and invalidity, summary judgment on the counterclaims of invalidity and non-infringement logically follows.<sup>4</sup> In opposition, Baychar incorporates the entire summary judgment record before Judge Carter and also re-submits affidavits that were the subject of a previous motion to supplement the record. Pls.’ Mem. in Opp’n to Def. Nordica’s Mot. for Summ. J. on the Pleadings, or Alternatively, Mot. for Summ. J. (“Pl. Opp’n”) at 2 (Docket Item 188). Judge Carter denied the motion to supplement when he entered summary judgment on behalf of Nordica. Carter Order at 2.<sup>5</sup> Baychar now asks me to consider these affidavits in deciding the merits of Nordica’s counterclaims.

Judge Carter’s ruling is the law of the case, subject to appeal after entry of final judgment, and I will not disturb it. Thus, the law of this case is that claim 8 of the ‘810 patent is invalid based on anticipation, and that Nordica did not infringe claim 8 of the patent.

Although I am inclined to order summary judgment in favor of Nordica’s counterclaims based upon the law of the case, Baychar does raise one legitimate concern. The wording of the counterclaims, as well as this latest round of briefing, suggest that Nordica seeks a blanket declaration as to the invalidity of *all*

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<sup>4</sup> The parties agree that the inequitable conduct counterclaim should be dismissed as moot without prejudice. Mot. at 2; Pls.’ Opp’n at 1.

<sup>5</sup> Baychar had asked Judge Carter to reconsider the Magistrate Judge’s recommended decision in light of these affidavits that, according to Baychar, corroborated an earlier invention date. (The lack of this corroboration was critical to the Magistrate Judge’s recommendation that claim 8 of the patent was invalid due to anticipation.) See Mot. of Pls. for Leave to Supplement R. on Summ. J. (Docket Item 142); see also Recommended Dec. at 10-16 (recommending summary judgment “in the absence of evidence tending to corroborate Baychar’s assertion of an invention date preceding  
(continued on next page)

of the '801 patent and a declaration that Nordica has never infringed any part of patent '801, not just claim 8. But the Recommended Decision (and thus Judge Carter's affirmance) addressed claim 8 alone and not the entire '810 patent. See Recommended Dec. at 6 ("Baychar [must] demonstrate that the allegedly infringing (accused) articles are encompassed by claim 8 of the '810 patent."); id. at 16 ("claim 8 of patent '810 is invalid by dint of anticipation"). Although Baychar explicitly raises this concern in its opposition brief, Pls.' Opp'n at 2,<sup>6</sup> Nordica fails to address the issue in its reply. See, generally, Docket Item 189.

Accordingly, Nordica shall show cause by September 5, 2007, why I should not limit summary judgment on the counterclaims as to invalidity and non-infringement solely to deal with claim 8, not the '810 patent generally. (It bears noting that unless Nordica limits its request for declaratory relief, an entry of summary judgment as to claim 8 would not be a final judgment given the current scope of the counterclaims.) Any response shall be filed by September 15, 2007.

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the Hermann patent.”).

<sup>6</sup> Pls.' Opp'n at 2:

To the extent Nordica is seeking a judgment that the '810 patent is invalid in its entirety based on this court's prior rulings, such a finding would clearly be inappropriate. Plaintiff's Complaint alleged Defendant infringed on [c]laim 8 of the '810 patent. The earlier summary judgment ruling of the Court was limited to Defendant's defenses to Plaintiff's complaint. Defendant's counterclaim arguably seeks a finding of invalidity as to the entire '810 patent, not just [c]laim 8. The summary judgment record before this court does not support a finding of blanket invalidity, and the Court should not award summary judgment on that basis.

**SO ORDERED.**

**DATED THIS 22ND DAY OF AUGUST, 2007**

/s/D. BROCK HORNBY  
**D. BROCK HORNBY**  
**UNITED STATES DISTRICT JUDGE**

**U.S. DISTRICT COURT  
DISTRICT OF MAINE (BANGOR)  
CIVIL DOCKET FOR CASE #: 1:04cv144 (DBH)**

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**and**

**Baychar Holdings, LLC**

**Plaintiffs**

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**v.**

**The Burton Corporation,**

**and**

**Deckers Outdoor Corporation**

**and**

**Nordica USA Corp.**

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